



COCHISE COUNTY COMMUNITY DEVELOPMENT

"Public Programs...Personal Service"

MEMORANDUM

Date: September 15, 2014

To: Board of Supervisors

From: Karen Riggs, P.E., Director Highway & Floodplain

Subject: Proposed Amendments to the Public Private Partnership Program

The program has been in existence since 1994. It was created as a way for citizens to financially participate to have a road upgraded from dirt to chipseal. It allows existing roads, be they maintained or non-maintained, to apply, but at different contribution rates. This amendment would replace Resolution 06-48.

The proposed amendment is based on budgetary constraints and would increase the overall share from the applicant in most cases. A sliding scale based on traffic volumes for Non-Maintained Roads was developed that would reduce percentages that the applicants/residents would pay as traffic volumes increase. The proposed changes are listed below.

- Whether the road was a part of a platted subdivision or open for use prior to June 13, 1975 would no longer be a factor for this program.
- The application fee would increase from \$100.00 to \$200.00. This fee would remain non-refundable.
- The application fee would no longer be applied as a partial payment toward the contribution for the project, should it go to construction. It costs the Highway department more than \$200 to process the application and produce the Brief Initial Analysis.
- Survey, legal descriptions and title reports would now fully be the responsibility of the applicant and the applicant would also pay 50% of staff costs for reviewing and deed preparation.
- The applicant's share would be based off of the Engineering Study only. We have eliminated using the lower figure if costs vary from the Brief Initial Analysis. By its definition, the BIA is a very quick, general look at probable costs. It is more appropriate for the applicant share to be determined by the engineering study.

For Maintained Roads

- The contribution rate for County Maintained Roads would include any needed drainage structures plus 50% of labor and equipment.

For Non-Maintained Roads:

The applicant's share has always been based on the Average Daily Traffic Count (ADT), with applicant paying either 50% or 100% of costs. The proposed sliding scale just adds several more steps based on ADT as follows:

- ADT 0-100: The applicant/group shall be required to pay 100% of the project (engineering, survey, equipment, materials, labor, environmental permits, utility relocation, overhead etc.).
- ADT 101-175: The applicant/group shall be required to pay 90% of labor and equipment, and full cost of overhead and materials that are required.
- ADT 176-200: The applicant/group shall be required to pay 80% of labor and equipment, and full cost of overhead and materials that are required.
- ADT 201-249: The applicant/group shall be required to pay 70% of labor and equipment, and full cost of overhead and materials that are required.
- The percentage for ADT greater than 250, the required payment will increase from 50% to 65%.
- A deposit of \$3,000.00 will still be required for the Engineering Study & cost estimate. Although the entire amount would be applied to the project cost if constructed. In the event the project does not go forward, any remaining funds would be refunded to the applicant/group.

Other changes:

- If the construction project exceeds 25% of the original estimate, the County Engineer will require additional funds from the applicant to cover applicable costs. They will be required to pay the same proportion of the increase as was paid for in the original estimated total.
- The County Commitment to this program would be stated as below:

Applications for PPP projects will be accepted and processed through the BIA (Brief Initial Analysis). If the applicant wishes to move to the Engineering Design Phase, the County Engineer will provide analysis to the Board of Supervisors at a Work Session, to include probable cost to the County for its share of the construction, ongoing maintenance costs and a recommendation as to whether to proceed. If the recommendation is to proceed, the County Engineer will also recommend which other scheduled and budgeted projects should be canceled or postponed in order to allow funding for the recommended PPP. The Board could, at its sole discretion, consider other funding options for the proposed PPP project.

Summary

Highway Department has proposed changes to the PPP policy because of recent and anticipated continuing budget constraints. We look forward to the discussion and direction from the Board at the work session. Please don't hesitate to contact me if you have any questions about the proposal.